

LAW OFFICES
DUNTON, SIMMONS & DUNTON, L.L.P.
678 RAPPAHANNOCK DRIVE
POST OFFICE BOX 5
WHITE STONE, VIRGINIA 22578-0005

E. STANLEY MURPHY
ESMURPHY@DSDLAW.COM

TELEPHONE:
(804) 435-4000
FACSIMILE:
(804) 435-1614
dsdlaw.com

March 13, 2015

Mr. L. Michael Cantor
Managing Partner
FE Partners, LLC
1250 24th Street NW, Suite 350
Washington, DC 20037

Re: *Motor Vessel Sequoia Litigation*

Dear Mike:

We appreciate your request to represent FE Partners, LLC in connection with disputes that have arisen over yard work and storage claims by Chesapeake Boat Works against the *Motor Vessel Sequoia*. We understand that your group holds a preferred ship's mortgage on this vessel and that the vessel is now on a marine railway operated by Chesapeake Boat Works in Deltaville, Virginia. The dispute involves payment for repairs authorized by the vessel's owner, Sequoia Presidential Yacht Group. We further understand that Chesapeake will not complete the repairs, or release the vessel. This letter sets out the scope of our representation and the financial terms on which our firm will represent you, including how billings and payments will be made.

We will be pleased to represent FE Partners in connection with this matter, which at this point involves liens under the Virginia Mechanic's Lien Act. If negotiations are unsuccessful I anticipate filing suit in the Middlesex County Circuit Court with a request that the court set a reasonable bond amount so that the vessel can be released to FE Partners, all as contemplated by Title 43 of the Virginia Code. At this time, we do not understand that this case involves any federal maritime liens, but we are monitoring that issue.

We will coordinate all legal work with your general counsel, Richard Graf and your maritime counsel, Gorman and Williams.

I am the partner in charge of civil litigation at our law firm and will be responsible for all attorney legal work in this matter. My rate is \$300.00 per hour, billed in .10 increments. We will send you monthly itemized bills for services rendered on your behalf and will charge these bills against the prepaid retainer described later in this engagement letter. I typically handle professional matters that can be delegated through my legal assistant, Ashly Hudson. We bill Ashly's time at \$75.00 per hour. We do not bill for clerical or administrative time.

EXHIBIT
D

If we ever make a billing charge that you feel is not reasonable or not justified, please tell us so that we can immediately address the problem. If you have an objection to a bill, you agree to notify us within thirty days.

My hourly rate is subject to change, but we will notify you before any such rate change. New charges will not go into effect until one month after notice.

The minimum charge for all telephone calls, emails and correspondence is 0.1 hour. You will also be billed for all costs advanced and expenses incurred that are directly related to the performance of the legal services undertaken, including the cost of investigation, service of process, filing fees, depositions, fees of expert witnesses, travel, long distance telephone calls, fax charges, postage and courier fees, and any other reasonably incurred out-of-pocket expense.

Our responsibility to provide legal services will be governed by the following schedule and terms:

- I have already commenced significant work with respect to this representation. You and I have had extensive telephone conversations, I have reviewed a large number of documents, consulted repeatedly with your maritime counsel, and have written three letters to counsel for Chesapeake Boat Works. I also have inspected *Sequoia* and provided you with photographs. We are currently evaluating next steps, but I anticipate either negotiating a resolution to this matter or proceeding with litigation.
- Our work for the above items has commenced without the necessity of a prepaid retainer. Owing to Virginia professional responsibility obligations, we will not be able to commence litigation without a prepaid retainer in the amount of \$5,000.00. Our hourly charges will be deducted from the retainer each month and we will render a monthly accounting for time spent on this matter. FE Partners will be required to maintain a retainer balance on deposit with us at a level of at least \$2,500.00 and will be required to replenish your retainer account as necessary to maintain it at that level. We also need to receive a signed engagement letter.
- Any portion of the retainer not expended will be refunded to you at the conclusion of our representation. All fees, expenses and costs incurred beyond the minimum retainer will be billed monthly. Monthly bills are due thirty (30) days from billing. Interest may be charged by the firm on any overdue balance at 1% per month (12% per annum). This firm

reserves the right to resign from its representation of you if you do not pay us as billed or otherwise agreed.

- If negotiations for release of the vessel are unsuccessful upon receipt of the required retainer, we will institute suit on your behalf and would anticipate doing so within one week of our engagement.
- To simplify payment, we have the option of receiving the initial retainer and replenishing minimum retainer balances by debit or charge card. If FE Partners would like to take advantage of that payment option, please complete the credit/debit card option portion of this letter.
- While we can make no guarantee of a successful conclusion to your case, the attorneys of this firm will use their best efforts on your behalf. I will be the attorney primarily responsible for this matter.
- We will compromise no substantive aspect of your case without your consent.
- Please know that our e-mail is typically not encrypted; therefore, there is some risk of interception. Your own computer may not be secure, if you receive e-mail at work, for example.
- You acknowledge and agree that we use Bank of Lancaster for our client retainer and fiduciary account deposits. While Bank of Lancaster is FDIC insured, FDIC insurance is limited. Inform us if you have or obtain other funds on deposit at Bank of Lancaster, as this may cause your total deposits to exceed FDIC insurance limits.
- At the conclusion of your case, documents in your file will be retained for a period of time under the firm's file retention policy and then destroyed in a secure manner. If you wish to keep documents from your file on a longer term or permanent basis, you will need to arrange that with us. If your file, or any portion of your file, is stored electronically, you give us permission to destroy the physical portions of the file so stored.
- If these terms are acceptable, please date, sign and, return one copy of this letter to us with your retainer payment at your earliest convenience. Keep the other copy of this letter for your records. If you have questions or concerns, either about this letter, or about your case I will be pleased to discuss them with you.

DUNTON, SIMMONS & DUNTON, L.L.P

By: _____

E. Stanley Murphy
Partner

Date: _____

WE AGREE TO THE TERMS OF THIS
REPRESENTATION AS OUTLINED
ABOVE:

FE PARTNERS, LLC

By: _____

Date: _____

I authorize you to charge my credit or debit card

☐ For my initial retainer payment in the amount of \$_____.

☐ For future amounts necessary to replenish my retainer balance to the level specified in this letter. I understand that retainer replenishment charges will be made on the first of each billing month.

Please check either or both boxes above.

You are authorized to charge the following card:

Credit Card: ☐ Visa ☐ Mastercard

Card No.: _____

Expires: _____

3-Digit PIN: _____

(Print Cardholder's Name)

Cardholder's Signature

Date: _____